

November 6, 1959

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT
November 4, 1959

Others present: General Norstad,
 General Goodpaster

General Norstad said that after the President's meeting with General de Gaulle there was an immediate reaction in the French Government -- a noticeably warmer attitude and a stronger desire to tackle knotty problems. He saw this in Joxe, Debre, Couve de Murville and the Defense Minister. While the atmosphere was good, no progress was made on solutions. De Gaulle has not changed a bit in his judgment, and is still a pressure operator. General Norstad said that because de Gaulle is not a team player, he would suggest that the President play very heavily on the NATO Council, not catering to de Gaulle but getting others with us and leaning over backwards to keep the other thirteen nations on our side.

General Norstad reported Mr. Spaak's suggestion to defer the NATO meeting, and have Couve de Murville or Herter report to the NATO Council after the Western Summit. The President said he opposed any idea of a NATO Heads of Government Meeting. He commented that de Gaulle had agreed not to call for a change in command arrangements in NATO for the present. To his question, I replied that de Gaulle had based this on the fact that France does not have the forces that would warrant such changes at the moment. General Norstad said there had been a very heated North Atlantic Council Meeting regarding the Western Summit Meeting in Paris, with other countries challenging the tendency of the four powers, and particularly France, to prejudge issues of interest to all. They are fearful that de Gaulle is getting his way and denying them a consultative role.

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With regard to the suspension of nuclear testing, General Norstad said he had talked in the United Kingdom with Admiral Mountbatten who had indicated that the position of the British Chiefs is not the same as that Macmillan has held up to this time. The British Chiefs favor a suspension of testing in the atmosphere or wherever testing can be detected, without a suspension elsewhere, but with a continuation of work in the latter area. He said he thought their position is very close to our own.

General Norstad next turned to the subject of a possible reduction of U. S. forces in NATO. He said this had been badly handled. A month ago he had been told that our Government within a week would announce a reduction of fourteen squadrons. He protested violently because there had been no chance to prepare the ground for this announcement. He said that, right at this moment, two European countries are increasing their defense budgets, and two are studying ways to increase their budgets. If we decrease our forces, following the Khrushchev visit, this action will be taken as a deal with the Soviets, removing the need for security and the Europeans will cut back. His thinking has been to wait for a change in the situation and to reduce after this.

The President said that for five years he has been urging the State Department to put the facts of life before the Europeans concerning reduction of our forces. Considering the European resources, and improvements in their economies, there is no reason that they cannot take on these burdens. Our forces were put there on a stop-gap emergency basis. The Europeans now attempt to consider this deployment as a permanent and definite commitment. We are carrying practically the whole weight of the strategic deterrent force, also conducting space activities, and atomic programs. We paid for most of the infrastructure, and maintain large air and naval forces as well as six divisions. He thinks the Europeans are close to "making a sucker out of Uncle Sam"; so long as they could prove a need for emergency help, that was one thing. But that time has passed.

General Norstad said he thinks there is a way out of this. The British are increasing their defense forces a little this year, although perhaps not on the continent. The real way out is in another field -- through establishing inspection and control and



then cutting the forces on both sides of the Iron Curtain.

The President said he does not think we can wait on this. Every time some emergency comes up, the Europeans ask what the United States is going to do. He said he agreed with de Gaulle that some action is necessary to bring up the sense of responsibility and the morale of the Europeans in behalf of their own defense. He said he had heard from Mr. McElroy what would have to be done to stay within a level budget and the actions are severe. He said it would take every ounce of strength he had to keep the NOA below \$82 billion for FY-61. Our gold is flowing out and we must not weaken our basic economic strength. He thought our military people must look three to four years ahead and adjust accordingly.

General Norstad said he had asked the Secretary of Defense how much would be saved if we made a substantial cut in our forces in Europe. Mr. McElroy said the figure would be in the order of \$200-300 million. If these cuts are made, the European countries will not ask the United States to carry their load. They will say the United States does not think it is necessary to keep up our defense strength, and will cut themselves. The President said he had had a difference with Mr. Dulles over this point. Mr. Dulles said the European morale would never become high enough to permit us to withdraw our forces.

General Norstad said that the UK and Germans are off military assistance. France can go off as soon as we have met our firm commitments. Some small countries can also go off. In addition, we can move away from giving dollars to others, and spend the money at home. OSP can be practically terminated. He thought we could begin to tell our allies that as far as our forces are concerned it is increasingly difficult to maintain them there. The United States people are insistently demanding their return. He said, however, it would kill the strength of NATO if we were to go to conferences having made such cuts.

The President said he saw no reason why Germany should be limited to twelve divisions. Their dollar balances are rising. If they were to give us \$250 million a year to meet the local costs of our troops he might take a different view. General Norstad said the United States should not have to pay 42% of infrastructure.

Also, he thought that France may prove to be part of the salvation of the problem. De Gaulle has made statements that NATO is important to France and that he thinks France should not be the smallest contributor.

The President said that when the NATO nations enlarge their defense forces deployed in their home countries they suffer only a budgetary problem. For us the problem is one that is both budgetary and involves the flow of our gold. He said he would like to see the Europeans make a voluntary move to recognize that the U. S. is carrying too much of the burden. General Norstad said that some one of the Europeans might come out with a statement along these lines.

The President commented that General de Gaulle stressed that he has 600,000 troops in Algeria. The President has a concern that de Gaulle will make concessions to the Soviets in order to get them to support France on Algeria. De Gaulle thinks the Soviets are not going to attack, and that he can safely rely on U.S. power, whatever concessions he makes.


The President agreed however that we cannot take ruthless actions simply for financial reasons. General Norstad reiterated that we should try to install an inspection scheme and then cut our forces. The President agreed that this would provide a good basis. He thought the Western Europeans should come forward and say that they would take over certain responsibilities and let the U. S. cut back. He said it is vital that they develop a greater sense of responsibility.

General Norstad suggested efforts to get the Europeans to increase their defense budgets. He said this would help a great deal with our Congress. The President said it is not merely a matter of Congress which does not show enough concern over our economic situation. The problem is one of keeping ourselves sound. This he said is his major effort. Other than himself, he thought no one else is taking the problem seriously enough.

General Norstad said that Generals Lemnitzer and White, while feeling that we are cutting the heart out of important projects,

are trying to carry out the President's budgetary desires. The President commented that for the first time the Chiefs seem to be giving attention to the threat to our economy. He then commented that the steel strike has now run 109 days, with great loss of production, income, profits and taxes. If the Supreme Court were to declare the Taft-Hartley procedures unconstitutional, he said he would think of applying for Mexican citizenship. He did not think a special session to pass new legislation would be what is needed, but rather action to put through a constitutional amendment, probably amounting to a shift from a Jeffersonian to a Hamiltonian type of government.

In concluding their discussion, General Norstad suggested that the President, while in Paris, make a gesture to the North Atlantic Council as he did on his last visit by going to the Palais de Chaillot. He said he might do this for ten minutes or so. He stressed that there must be no advance announcement of it at all.


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